

23 April 2018

Hawsons awarded 'Major Project Status' in regulatory boost for new Broken Hill mine

Highlights

- **Carpentaria Resources' Hawsons Iron Project near Broken Hill joins select group of projects awarded 'Major Project Status' by Australian Government's Department of Jobs and Innovation**
- **Major Project Status is highly significant, reflecting:**
 - **the project's strategic significance to Australia and regional communities in New South Wales and South Australia**
 - **the strategic benefits of its unique iron ore product to a range of international blue-chip customers**
 - **the Government's positive view of Hawsons' economic viability and development prospects**
- **The designation under the Major Projects Facilitation Programme is expected to provide a thorough, smooth and potentially faster approval process**
- **The designation is also expected to speed international investment in the project because it reduces perceived permitting risks**
- **Carpentaria now focussed on progressing bankable feasibility study (BFS) for its flagship project, supported by blue-chip international steelmakers and trading houses across Asia and the Middle East**

Emerging iron producer Carpentaria Exploration Limited (ASX:CAP) announced today it has received 'Major Project Status' from the Australian Government for its Hawsons Iron Project, marking an important vote of confidence in Broken Hill's next major mine.

Significantly, Hawsons joins only 13 other projects nationwide awarded such a designation by the Department of Jobs and Innovation under the Major Projects Facilitation Programme, recognising the project's strategic importance to Australia.

Elevation to this select status is expected to provide a smoother and potentially faster approval process for the project, located 60 kilometres south-west of the Silver City.

Importantly, the designation is also expected to promote international investment in the project, as it reduces the perceived permitting risks. For overseas investors, this should increase confidence in the project's clear pathway towards development.

This is particularly important for investors more familiar with less transparent and higher risk permitting systems than those in Australia.

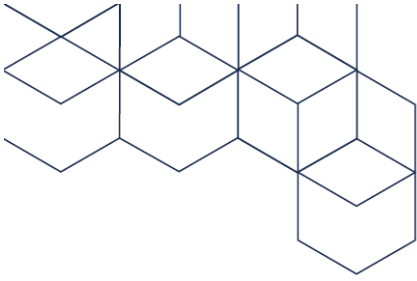
Carpentaria Resources Limited
ABN : 63 095 117 981
ASX : CAP

Level 6, 345 Ann Street
Brisbane Qld 4000

PO Box 10919, Adelaide St
Brisbane Qld 4000

info@capex.net.au

carpentariares.com



In practical terms, it means the Federal Government's Major Project Facilitation group will commit its human resources to assist the project's development. This means coordinating and integrating Federal and State permitting requirements and also, where relevant, identification of any eligible government financial assistance.

Hawsons has qualified for the status based on its benefits to the regional communities in terms of jobs, strategic export value of its unique Hawsons Supergrade® iron product to its international customers in Asia and the Middle East, and the Government's positive view on the project's economic viability.

This status is for a three-year period through to 18 December 2020, by which time significant project milestones are expected to have been achieved.

Carpentaria's Managing Director, Quentin Hill welcomed the Government's support for the Hawsons project as a vital part of its successful development.

"Today's announcement is a major milestone for our project, and we acknowledge the Government's important facilitating role in the Hawsons project and the positive signal it sends to investors and community stakeholders," he said.

"Having already attracted a range of blue-chip international steelmakers and trading houses to our project, this designation provides further reassurance as we work to secure the necessary funding to complete the BFS and advance towards mining, generating vital new jobs and investment for Australia's heritage mining city."

The Federal Government designation is also an endorsement of the Company's rigorous and consistent approach to its permitting responsibilities and another significant regulatory milestone for the Company's flagship project.

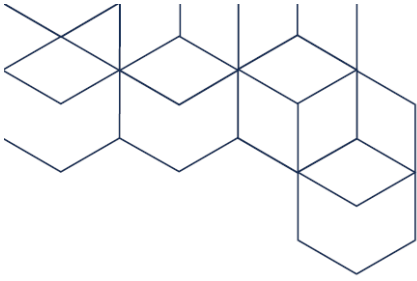
The Company is currently negotiating offtake-linked project funding with a number of customers. This follows Carpentaria's achievement in gaining 120% oversubscription for Hawsons' initial planned production of 10 million tonnes per annum, with non-binding letters of intent obtained from blue-chip steelmakers and trading houses across Asia and the Middle East with combined annual revenues exceeding US\$130 billion.

"Hawsons offers the world's best iron ore product and is perfectly placed to capitalise on the growing global demand for such premium products, which can help steelmakers boost productivity and curb pollution," Mr Hill said.

"With support from government, community, landholders and other stakeholders including investors, we are confident of achieving the necessary investment to drive our project towards production, delivering jobs, exports and investment for the nation and increased wealth for our shareholders."

For further information please contact:

Quentin Hill
Managing Director
+61 7 3220 2022



About Hawsons Iron Project

The Hawsons Iron Project joint venture (Carpentaria 66.5%, Pure Metals Pty Ltd 33.5%) is currently undertaking development studies based on the low cost, long-term supply of a high grade, ultra-low impurity iron concentrate to a growing premium iron market, including the direct reduction (DR) market.

The project has a clear technical and permitting pathway. It is located 60km south-west of Broken Hill, an ideal position for mining operations with existing power, port, rail and road infrastructure sufficient for a 10 Mtpa start-up operation. A mining lease application has been lodged with the NSW Government.

The project's soft rock is different from traditional hard rock magnetite and allows a very different approach to the typical magnetite mining and processing challenges (both technical and cost-related). The soft rock enables simple liberation of a product of rare quality without complex and expensive processing methods.

The Company is targeting the growing premium high-grade product market, both pellets and pellet feed, which is separate to the bulk fines market and its prefeasibility study has shown its targeted cost structure is very profitable at consensus long-term price forecasts for this sector.

Carpentaria has secured off-take intent from blue-chip companies comprising Taiwan's Formosa Plastics; China's Shagang Steel; Japan's Mitsubishi Corporation RtM; Bahrain Steel, Emirates Steel and Kuwait Steel from the Middle East; and trading house Gunvor Group.